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17 May 1962

MEMORANDUM FOR RECORD

SUBJECT: Minutes of Meeting of the Special Group, 17 May 1962

PRESENT: General Taylor (Item 9); Mr. Johnson; Mr. McCone;
Mr. William Bundy and General Lemnitzer

1. Peripheral Reconnaissance

Captain Dankworth and Lt. Colonel Chapman showed the Group results of Missions LARK and FALCON, including the identification of a circular SAM site and a new airfield.

Mr. McCone asked why it had taken so long for the Group to see the results of LARK, which was flown on the 12th of April. It was agreed that there had been much too long a delay.

Captain Dankworth reported that the submarine reconnaissance mounted in connection with CINCLANT's contingency planning was [redacted] that it had occasioned no reaction, and that the beach [redacted] determined to be suitable for amphibious operations.

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[redacted] Projects

Mr. Johnson commented on the sizeable number of covert political action projects which were being proposed for [redacted] suggesting that perhaps an inventory of them should be made for higher authority. Mr. McCone responded that when he had recently discussed actions of this kind on a world-wide basis with higher authority, the comment had been made repeatedly that he was favorably inclined toward the [redacted] projects.

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2. Center for Social Studies and Action - [redacted]

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After Mr. McCone gave the Group further details of this particular project and also of the entire covert action program for [redacted] the Group approved the project as presented.

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This project was approved. Mr. McCone emphasized that it was being presented only as a contingency, and that he believed it would probably not be required. He added that he had reiterated the

NSC review(s) completed.

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restrictions imposed by the Ambassador, i.e., [REDACTED]

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5. [REDACTED]

Mr. Johnson commented on the large amount of money being proposed for this project, particularly in light of the alleged membership of the political parties. He expressed some worry about the possibility of revealing the U.S. hand, but said this is in the final analysis an operational problem.

It was noted that the purpose of the project is to build up two major political parties in a country which has had no representative government for thirty years.

Mr. McCone said that he would recommend approval of the stated total figures only as a maximum, and that he proposes to report to the Group within 90 days on progress made to date. Mr. Farrott said General Taylor would have raised a similar point.

The Group then approved this project, with Mr. Johnson's stipulation that his approval was contingent on positive replies to certain questions which State had posed to the Ambassador.

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6. [REDACTED]

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Mr. Johnson referred to the approval by the Group, on the 19th of April, of a payment of [REDACTED] to an individual in [REDACTED]. He said the Ambassador had raised certain questions about this, but the Ambassador has been informed that the Department wishes the payment to be made.

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7. [REDACTED]

Mr. McCone said that he had had a talk with [REDACTED] about the political situation in [REDACTED]. [REDACTED] had said that he thought the [REDACTED] would have to support some of the members of the [REDACTED] faction of the [REDACTED] in order to assure their cooperation with the [REDACTED] in an opening to the left. This would be true because these people would, by such action, remove themselves from financial support from the rest of the [REDACTED]. Thus [REDACTED] foresaw an additional financial burden on the [REDACTED]. Additionally, he felt that any outside support given to [REDACTED] for his faction should be channelled through the [REDACTED] in order to achieve the objectives of the opening to the left. Mr. McCone pointed out that this puts the [REDACTED] situation in a somewhat new light, and that this angle is being investigated further.

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8. Price Figures in Special Group Presentations

Mr. Parrott said that General Taylor had had some questions as to the extent to which the Special Group actually approves financial figures for the projects which come before it. After some discussion, it was agreed that the function of the Group is to give policy approval and that, while it is necessary to approach such approvals with knowledge of the general order of magnitude of the particular project, the Group should not attempt to pass on the detailed buildup of cost figures for each project. It was agreed that minor deviations from the estimated figure would not require resubmission to the Group, but that this would normally be done in the event that a large discrepancy develops.

9. Chinese Nationalist Plans for the Mainland

Dr. Cline explained the background of the recent message from Chiang Kai-shek. As a corollary to this, he commented on the increased flow of Chinese refugees into Hong Kong and said the Generalissimo believes that this indicates a breakdown of the communist security system.

He said that we must take Chiang Kai-shek seriously at this stage, and that he detected an attitude on the part of the Nationalists which goes well beyond their views on a possible invasion of the mainland, which they have held for the past several years. The Generalissimo had emphasized that the United States would have to treat the Nationalists with respect, and could not attempt to impose its will on them in all respects. In this connection, the Generalissimo was particularly disturbed at what he viewed as undue financial pressure.

Dr. Cline said that he wanted to clarify exactly what Chiang Kai-shek [redacted] since in some quarters in Washington his remarks had been interpreted as a threat to move against the mainland, with or without U.S. support. What he had actually said was that he had agreed to postpone any such decision for six months; however, it appeared to Chiang Kai-shek that perhaps some elements in the U.S. wanted him to postpone forever. He had pointed out that he is willing to cooperate with the U.S., but that he must have something to show his own people to convince them that cooperation with the U.S. is worthwhile.

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Thomas A. Parrott

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Distribution

Mr. Johnson
Mr. Gilpatrick
Mr. McCone
General Taylor